

THE 10 PRINCIPLES SET OUT IN THE UN GLOBAL COMPACT PRINCIPLES & OECD RECOMMENDATIONS REGARDING CORRUPTION

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

No suggestions

Principle 2: Make sure that they are not complicit in human rights abuses

No suggestions

UN Suggestions	Recommendation	Comments
<ul style="list-style-type: none"> Develop your company's business case for human rights ("Why are human rights relevant to your company?") 	<ul style="list-style-type: none"> The Group advocates adherence to principles in the annual report No further action is required 	<ul style="list-style-type: none"> No further action required.
<ul style="list-style-type: none"> Establish procedures for identifying and managing risks and opportunities related to human rights, and for addressing human rights impacts 	<ul style="list-style-type: none"> Apply the Group's risk management methodology to the identification and management of risks and opportunities insofar as it relates to human rights and consolidate reporting 	<ul style="list-style-type: none"> Subject to the point below.
<ul style="list-style-type: none"> Put in place management systems for human rights policy implementation, monitoring and reporting across the company 	<ul style="list-style-type: none"> Investigate the implementation of a human rights management system 	<ul style="list-style-type: none"> To be integrated into Employee Relations reporting as part of the SAP phase 2 implementation.
<ul style="list-style-type: none"> Provide mechanisms to protect employees who report potential human rights concerns within the company or with business partners 	<ul style="list-style-type: none"> Integrate the grievance procedure into the Group and business unit induction programmes as well as into the management development programmes 	<ul style="list-style-type: none"> Tip-off Anonymous and integrated into the Group induction programme. No further action required.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

UN Suggestions	Recommendation	Comments
<ul style="list-style-type: none"> ▪ Ensure that company policies and procedures do not discriminate against individuals because of their views on trade unions or for their trade union activities 	<ul style="list-style-type: none"> ▪ Articulate the Group policy statement on freedom of association and update the Code of Conduct 	<ul style="list-style-type: none"> ▪ Code of Conduct re-drafted with recommended policy statements. ▪ <i>No further action required.</i>
<ul style="list-style-type: none"> ▪ <i>Provide information needed for meaningful bargaining</i> 	<ul style="list-style-type: none"> ▪ <i>Collective bargaining process in place – no further action required</i> 	<ul style="list-style-type: none"> ▪ <i>No further action required.</i>

Principle 4: The elimination of all forms of forced labour and compulsory labour

<ul style="list-style-type: none"> ▪ Have a clear policy not to use, be complicit in, or benefit from forced labour 	<ul style="list-style-type: none"> ▪ Include a policy statement in the Group Code of Conduct to reflect the principle 	<ul style="list-style-type: none"> ▪ Code of Conduct re-drafted with recommended policy statements.
<ul style="list-style-type: none"> ▪ <i>Ensure that all company officials have a full understanding of what forced labour is</i> 	<ul style="list-style-type: none"> ▪ <i>Code of conduct to be trained as part of induction</i> 	<ul style="list-style-type: none"> ▪ <i>On-going</i> ▪ <i>No further action required</i>
<ul style="list-style-type: none"> ▪ If relying on labour providers for recruitment, ensure that no forced labour is supplied 	<ul style="list-style-type: none"> ▪ Update the standard contractual terms with labour brokers and recruitment agencies upon the renewal of contracts 	<ul style="list-style-type: none"> ▪ Incorporated into the standard contractual terms ▪ No further action required
<ul style="list-style-type: none"> ▪ Write employment contracts in language easily understood by workers, indicating the scope of and procedures for leaving the job 	<ul style="list-style-type: none"> ▪ Update employment contracts to reflect the standard 	<ul style="list-style-type: none"> ▪ Completed for SA as part of the SAP implementation. ▪ Completed as part of the SAP implementation for foreign countries ▪ No further action required

LABOUR (cont.)

Principle 5: Businesses should uphold the effective abolition of child labour

<ul style="list-style-type: none"> ▪ Adhere to minimum age provisions of national labour laws and regulations 	<ul style="list-style-type: none"> ▪ Update the Group's Total Rewards Framework to reflect the current practice ▪ Report annually on the principle as part of the Sustainability report 	<ul style="list-style-type: none"> ▪ Minimum age provisions are adhered to and included in the annual reports. ▪ No further action required.
<ul style="list-style-type: none"> ▪ Develop and implement mechanisms to detect child labour 	<ul style="list-style-type: none"> ▪ Include policy statement in the Group Recruitment Policy & Total Rewards Framework 	<ul style="list-style-type: none"> ▪ Policies updated for all countries in which the Group operates. ▪ No further action required.
<ul style="list-style-type: none"> ▪ In communities, encourage and assist in launching supplementary health and nutrition programmes for children removed from dangerous work, and provide medical care 	<ul style="list-style-type: none"> ▪ Clicks Helping Hand Trust provides free primary healthcare services to children from disadvantaged backgrounds who were born in state hospitals – no further action required 	<ul style="list-style-type: none"> ▪ No further action required.

Principle 6: The elimination of discrimination in respect of employment and occupation

UN Suggestions	Recommendation	Comments
<ul style="list-style-type: none"> ▪ Implement policies and procedures which make qualifications, skill and experience the basis for the recruitment, placement, training and advancement of staff 	<ul style="list-style-type: none"> ▪ Review current Human Resource and Training policies and procedures to ensure adequacy 	<ul style="list-style-type: none"> ▪ Recruitment and Learning policies and procedures have been updated. ▪ No further action required.
<ul style="list-style-type: none"> ▪ Establish programs to promote access to skills development training 	<ul style="list-style-type: none"> ▪ Continue the workplace experience programmes offered to interns and unemployed graduates ▪ Benchmark annual skills spend and training days ▪ No further action required 	<ul style="list-style-type: none"> ▪ No further action required.
<ul style="list-style-type: none"> ▪ Provide staff training on disability awareness and reasonably adjust the physical environment 	<ul style="list-style-type: none"> ▪ Update the Group Transformation policy and framework to include a focus on employees with disabilities 	<ul style="list-style-type: none"> ▪ On-going as part of the Transformation agenda

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges

Incorporated into the Groups sustainability agenda

Principle 8: Undertake initiatives to promote greater environmental responsibility

Incorporated into the Groups sustainability agenda

Principle 9: encourage the development and diffusion of environmentally friendly technologies

UN Suggestions	Recommendation	Comments
<ul style="list-style-type: none"> ▪ Provide information to consumers and stakeholders about potential environmental risks of products and services 	<ul style="list-style-type: none"> ▪ Use existing communication channels to inform customers about our interventions. ▪ Communicate environmental information to stakeholders in the online sustainability report 	<ul style="list-style-type: none"> ▪ Included in the annual & online sustainability reports ▪ <i>No further action required.</i>
<ul style="list-style-type: none"> ▪ Join industry-wide efforts to share knowledge and deal with issues, in particular production processes and products around which a high level of uncertainty and sensitivity exists 	<ul style="list-style-type: none"> ▪ Participate in the Label Summit Africa on products and packaging and internalise the outcomes ▪ Attend meetings with industry groups in food, health and beauty sectors ▪ Attend the Sustainability forum with other retailers 	<ul style="list-style-type: none"> ▪ The labels include recycling logos and instructions on how to recycle to educate consumers. ▪ Attend meetings held by HPA, SMASA, SaaFost and CTFA ▪ Founding member of the SA Plastics Pact
<ul style="list-style-type: none"> ▪ Establish a sustainable production and consumption programme with clear performance objectives to take the organization beyond compliance in the long-term 	<ul style="list-style-type: none"> ▪ Drive the target to reduce the overall weight by PL packaging by 10% at the end of 2015, driven by: <ul style="list-style-type: none"> ▪ 30% recycled content in the Clicks brand carrier bags ▪ 25% recycled content in the Clicks water bottle ▪ Review of the sustainability strategy 	<ul style="list-style-type: none"> ▪ Sustainable packaging is considered for all new ranges, with minimum packaging as recyclable as possible ▪ Recycling logos is added to all packaging for consumer awareness ▪ Sustainability strategy currently under review
<ul style="list-style-type: none"> ▪ <i>Measure, track and communicate progress in incorporating sustainability principles into business practices</i> 	<ul style="list-style-type: none"> ▪ <i>Sustainability indicators are made public in the annual report and this is also done on a monthly basis internally</i> ▪ <i>Information on transformation is made available in the annual report.</i> 	<ul style="list-style-type: none"> ▪ <i>No further action required.</i>
<ul style="list-style-type: none"> ▪ <i>Share and disseminate information illustrating the benefits of using clean technologies</i> 	<ul style="list-style-type: none"> ▪ <i>The Group takes part in the CDP (Carbon Disclosure Project and the JSE SRI (Social Responsible Index).</i> ▪ <i>Forums and workshops are attended by the Group (NBI).</i> 	<ul style="list-style-type: none"> ▪ <i>No further action required.</i>
<ul style="list-style-type: none"> ▪ Use life-cycle assessments (LCA) in the development of new technologies and products 	<ul style="list-style-type: none"> ▪ Materials that packaging is made off are carefully chosen to ensure new technology is continuously implemented and product development are innovative 	<ul style="list-style-type: none"> ▪ Sorbet: Sensual range, gifting spa range, nails range according to colour trend, toiletry bags and fragrance. ▪ Smart Foods including the Banting range & Smart Sip ▪ Made 4 baby repackaging, Made 4 baby food range, new active stretch diapers, and a higher tier diaper range.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

UN Suggestions	Recommendation	Comments
<ul style="list-style-type: none"> ▪ Introduce and implement effective zero tolerance policies and programmes, and adopt a company ethics code 	<ul style="list-style-type: none"> ▪ Improve awareness and communication around the current Group policy and the consequences of non-compliance ▪ Implement the declaration of interest and gift policy and report 	<ul style="list-style-type: none"> ▪ Implement a consolidating reporting tool via SAP HCM
<ul style="list-style-type: none"> ▪ <i>Train employees to ensure that an ethical culture is developed within the company and integrated in management systems</i> 	<ul style="list-style-type: none"> ▪ <i>Include training on the Group values as part of employee and managerial induction</i> 	<ul style="list-style-type: none"> ▪ <i>Group values included as part of the induction process.</i> ▪ <i>No further action required.</i>
<ul style="list-style-type: none"> ▪ <i>Adopt internal reporting procedures</i> 	<ul style="list-style-type: none"> ▪ <i>Internal reporting procedures in place – no further action required</i> 	<ul style="list-style-type: none"> ▪ <i>No further action required.</i>
<ul style="list-style-type: none"> ▪ <i>Cooperate with authorities investigating and prosecuting cases of corruption</i> 	<ul style="list-style-type: none"> ▪ <i>Internal audit framework in place – no further action required</i> 	<ul style="list-style-type: none"> ▪ <i>No further action required.</i>
<ul style="list-style-type: none"> ▪ Engage in collective business action with industry peers to create a level playing field 	<ul style="list-style-type: none"> ▪ Internally review the Group’s advocacy and dialogue efforts and recommend focus area(s) 	<ul style="list-style-type: none"> ▪ Active monitoring is managed via the Group Compliance Officer and reported to the Board and its committees ▪ <i>No further action required.</i>